

# Highlights of 2007 Legislature: Impacts on the Department of Public Health and Human Services

July 31, 2007

## DPHHS APPROPRIATIONS FOR 2009 BIENNIUM

State general fund:	\$787,195,202	(25 percent of total)
Special revenue funds:	\$247,917,830	(7.5 percent)
Federal funds:	\$2,077,228,316	(67.1 percent)
<b>Total funds:</b>	<b>\$3,112,341,348</b>	

## MAJOR BUDGET HIGHLIGHTS

- 16.5 percent increase in budget from 2007 to 2009 biennium
- 75 percent of budget increase is to maintain existing services
- 82.5 percent of budget increase is in service costs
- 51.1 percent of budget increase due to Medicaid changes
- 57.9 percent of total biennial appropriation goes toward Medicaid costs
- **Provider Rate Increases**

The Legislature increased reimbursement rates for Medicaid and non-Medicaid health-care providers in order to maintain and improve access to services, particularly for Medicaid recipients. Rate increases vary across services and provider types, from a low of 1.39 percent to a high of 4.26 percent.

  - **Budget impact:** \$42.9 million for the biennium
- **Wage Increases for Direct-Care Workers**

The Legislature raised the minimum wage the state pays to people who provide direct care to \$8.50 an hour, including related benefits. The increase is directed at traditionally lower paid workers, such as certified nursing assistants.

  - **Budget impact:** \$34.9 million for biennium
- **Federal Mandates**

The Legislature increased state general funding to DPHHS in response to two recent federal mandates that reduced the amount of federal dollars available to DPHHS programs. These were:

- 1) A reduction in the percentage of the federal matching rate for the Medicaid program. The federal government calculates the amount of its match based on a state's per capita income. Because the Montana economy has improved over the past two years, the federal matching rate declined from about 70.5 percent in FY06 to 68.5 percent in FY08.
  - **Budget impact:** \$25.6 million in general funds over the biennium
- 2) Passage of the 2005 Deficit Reduction Act, which reduced federal financial participation in child support and child protection programs.
  - **Budget impact:** \$7.6 million in general funds over the biennium

## CAPITAL IMPROVEMENTS

- **Montana State Hospital Renovation, Upgrades**  
Funds appropriated to remodel the Receiving Hospital and the Xanthopoulos Building.
  - **Budget impact:** \$5.8 million general fund over biennium
- **Montana Veterans' Homes Improvements**  
HB 4 authorized funding for renovation and improvements at the Montana Veterans Home in Columbia Falls and roof replacement at Eastern Montana Veterans Home in Glendive.
  - **Budget impact:** \$1.3 million state special revenue funds over biennium
- **Mental Health Nursing Care Center Improvements**
  - **Budget impact:** \$750,000 general fund over biennium

## INFORMATION TECHNOLOGY

- **Data System Replacement**  
The department received \$60 million, primarily to replace three major data systems supporting the Temporary Assistance for Needy Families (TANF), Food Stamps, and Child Protective Services programs. These systems represent the first half of a major replacement that will provide the department's information technology core for the next 20 years. The existing systems will be 20-35 years old by the time they're replaced.
  - **Budget impact:** \$30,214,000 long-range IT Plan funds; \$30,331,000 federal funds

## INTERIM STUDIES

- **Mental Health Care in Criminal Justice System**  
HJ 26 called for an interim legislative study to develop a plan to provide mental health care in the criminal and juvenile justice systems.
  - **Assigned to Law and Justice Interim Committee**
- **Health Insurance**  
HJ 48 authorized a study of private health insurance and publicly funded health insurance programs. This study received the top ranking in a poll of legislators.
  - **Assigned to Economic Affairs Interim Committee**
- **Precommitment Evaluation of Psychiatric Patients**  
HJ 50 called for an interim study of the ways in which provisions of state law related to psychiatric pre-commitment examinations, detention, and treatment have been used across the state, including the number of days individuals spend being evaluated in each county. The study also will determine the amount of money county governments have paid for psychiatric pre-commitment examination, detention, and treatment.
  - **Assigned to Interim Law and Justice Committee**
- **Rural Emergency Medical Services**  
SJR 5 authorized the study of acute care and rural emergency medical services.
  - **Assigned to Children, Families, Health and Human Services Interim Committee**
- **Juvenile Justice System**  
SJ 6 authorized a study of the juvenile justice system.
  - **Assigned to Law and Justice Interim Committee**
- **Health Care Delivery**  
SJR 15 authorized a study of the impacts of certain services on health-care delivery.
  - **Assigned to Children, Families, Health and Human Services Interim Committee**

## ADDICTIVE & MENTAL DISORDERS DIVISION

- **Behavioral Health Program Facilitator**  
One new full-time position to work on service provision to mentally ill or addicted offenders. AMDD and the Department of Corrections will share the position, with AMDD providing the FTE and DOC the funding. The purpose of the position is to coordinate treatment approaches between the agencies.
  - **Budget impact:** \$158, 968 state special revenue for the biennium
  - **Effective date:** July 2006

- **Behavioral Health Inpatient Facilities**

One-time-only funding in the second year of the biennium for services provided in a Behavioral Health Inpatient Facility. This is a facility with 16 or fewer beds that provides a secure site for inpatient treatment. It is intended as a community alternative for patients who would otherwise be transported to Montana State Hospital.

- **Budget impact:** \$6,263,417 general and federal funds in FY09
- **Effective date:** July 2008

- **Meth & Chemical Dependency Expansion**

Implementation of five community and two reservation residential facilities for treatment of people with addictions. The community-based programs will provide residential treatment and supportive living services to eight adults per facility, with an average length of stay of 6-9 months. Each facility will serve 10-12 individuals annually.

- **Budget impact:** \$4 million general fund for the biennium
- **Staffing:** 1 new FTE
- **Effective date:** Funding available July 2007; projected start-up September 2007

- **72-hour Crisis Stabilization Care**

Provides funding for up to 72 hours of crisis stabilization care for adults with severe disabling mental illness who are uninsured. Care can be provided in a community or hospital setting based on the individual's needs. Also will provide funding for contracted televideo services to implement a system of psychiatric support for community hospital emergency rooms, jails, nursing homes, and other existing community sites where individuals commonly go for help during a psychiatric emergency. The goal of this initiative is to provide short-term stabilization close to the individual's home, family, and community as an alternative to transport and stabilization at the Montana State Hospital.

- **Budget impact:** \$4,065,540 general and federal funds for the biennium
- **Effective date:** Funds available July 2007; projected implementation January 2008

- **Mental Health Community Services Development**

Provides for five half-time positions in community settings to mentor current and recently discharged patients, assure that they get to referred services, and provide help in accessing needed services and resources in the community. The goal is to provide community support for patients discharged from Montana State Hospital so they can meet the recommendations of the hospital discharge plan and re-integrate into the community.

- **Budget impact:** \$274,522 state special revenue for the biennium
- **Effective date:** Funds available July 2007; projected start-up date January 2008

- **Additional Home & Community-Based Waiver Slots**

This proposal provides for 20 additional slots to the HCBS waiver for individuals with seriously disabling mental illness. The slots are targeted for individuals who are currently served under the Senior & Long Term Care waiver for the elderly and physically disabled but who can be more appropriately served with services for individuals with serious mental illness.

- **Budget impact:** \$1,606,000 state special revenue and federal funds for the biennium
- **Effective date:** July 2007

- **Mental Health Drop-in Centers**

Partial funding for mental health drop-in centers throughout the state. Drop-in centers provide a safe place for consumers to gather for socialization, as well as an opportunity for peer support services and access to other needed mental health or community services.

- **Budget impact:** \$743,294 state special revenue and federal funds for the biennium
- **Effective date:** July 2007

- **Suicide Prevention**

Funding for a comprehensive statewide suicide prevention program that will include a coordinator, suicide reduction plan, and support for a toll-free 24-hour hotline.

- **Budget impact:** \$800,000 general fund for the biennium
- **Staffing:** 1 new FTE
- **Effective date:** Funds available July 2007; projected start-up date September 2007

- **Assistance Program for Mentally Ill Offenders**

Funding for services for adults under the supervision of the Community Corrections Division of the Department of Corrections. The services may include case management, treatment, transition support, and medication monitoring. Funding may also be used to provide training to community probation and parole officers about mental illness and chemical dependency and about how to help offenders enroll in public benefit programs.

- **Budget impact:** \$743,294 general fund for the biennium
- **Effective date:** July 2007

- **Drug Program for Mentally Ill Offenders**

Funding for this new program may be used only to provide a prescription benefit for offenders leaving secure care who meet the criteria for serious mental illness and who have not been enrolled in public benefit programs. Benefits may include a 60-day supply of medications and other short-term medication purchases for offenders who become unstable and need medications and who are not eligible for other public prescription drug programs.

- **Budget impact:** \$950,000 general fund for the biennium
- **Effective date:** July 2007

- **Mental Health Services Plan**

Additional funding for state-funded mental health services for adults who are not eligible for Medicaid, have incomes below 150 percent of the federal poverty level, and have been determined to have a severe disabling mental illness. It is expected that the program will transition to a fee-for-service model and that reimbursement will be available to an expanded provider group by the second year of the biennium.

- **Budget impact:** \$5,203,062 general fund for the biennium
- **Staffing:** 3 FTE authorized but not funded to manage benefits provided to enrollees in this program
- **Effective date:** Funds available July 2007; will be phased in July 2007-July 2008

- **Service Area Authority Grants**

Segregated funds in the current AMDD budget to allow for increased payments to Service Area Authorities. This did not include a new appropriation.

- **Budget impact:** \$230,000 for the biennium (no new money)
- **Effective date:** July 2007

- **Staffing at Montana State Hospital**

The Legislature approved funding for 36.6 modified FTEs that were necessary to assure patient safety and provide appropriate treatment for a growing number of patients at the hospital.

- **Budget impact:** \$3,351,603 in general funds over the biennium
- **Effective date:** FY07

## **BUSINESS & FINANCIAL SERVICES DIVISION**

- **Institutional Reimbursement**

SB 90 and SB 124 authorized the division to streamline business processes used to get reimbursement for the cost of operating the department's institutions. The division gets up to \$20 million a year to reimburse the general fund and to make payments on bonds for the institutions. SB 90 changed the process for setting the daily per diem charge, and SB 124 eliminated a billing process for two general-fund agencies.

- **Budget impact:** None
- **Effective date:** SB 90 upon passage and approval; SB 124 July 1, 2007

## **CHILD & FAMILY SERVICES DIVISION**

- **Additional Child Protection Field Staff**

20 new field FTEs, 15 in the first year of the biennium and 5 in the second, to begin addressing current high caseloads. The goal is to reduce the number of children in foster care both by preventing placements and by reducing the length of time some children remain in care. The division also expects to reduce overtime costs by 25 percent.

- **Budget impact:** \$745,268 in FY08, \$980,721 in FY09
- **Effective date:** 15 FTE will be hired on or after July 1, 2007; an additional 5 on or after July 1, 2008
- **Deficit Reduction Act**

State general money to replace federal money lost because of the Deficit Reduction Act of 2005. This appropriation is restricted.

  - **Budget impact:** \$1.9 million for each year of the biennium
  - **Effective date:** July 1, 2007
- **Present Law Adjustments for Caseload Increases**

Present law adjustments for both foster care caseload increases and subsidized adoption caseload increases. The Legislature allowed for a 7 percent increase per year in the foster care caseload. It assumed an 11.7 percent increase in FY08 for subsidized adoptions and 10.8 percent in FY09.

  - **Budget impact:** \$1.4 million in FY08 and \$2.9 million in FY09 for foster care; \$2.3 million in FY08 and \$3.5 million in FY09 for adoptions.
  - **Effective date:** July 1, 2007
- **Compliance with Federal Child Abuse & Neglect Law**

HB 91 amended the Child Abuse and Neglect statute (Title 41, Chapter 3) to comply with new federal requirements of the Timely Interstate Placement of Children Act of 2006 and the Child and Family Services Improvement Act of 2006.

  - **Budget impact:** None
  - **Effective date:** July 1, 2007
- **Insurance for Foster Parents**

HB 57 is the result of an interim study on the child protective services system conducted by the Interim Committee on Children, Families, Health and Human Services. It requires the Department to buy liability and property damage insurance for foster parents who provide care for youth who are placed by the state.

  - **Budget impact:** \$140,000 general fund, \$140,000 federal funds over the biennium
  - **Effective date:** July 1, 2007
- **Children's Trust Fund**

HB 608 transfers \$1 million from the general fund to the Children's Trust Fund Endowment Fund. Interest from the fund will be available to pay for primary services for neglected and abused children. The Children's Trust Fund is administratively attached to the Child and Family Services Division.

  - **Budget impact:** Interest anticipated to be \$28,100 a year
  - **Effective date:** Oct. 1, 2007
- **Clarification of Role of Non-custodial Parent**

SB 83 clarifies the role of the non-custodial parent in child abuse/neglect cases and provides courts with more dispositional options involving the non-custodial parent.

- **Budget impact:** None
- **Effective date:** Oct. 1, 2007
- **Deadline to File Child Abuse/Neglect Petitions**  
SB 193 was introduced at the request of the Montana County Attorneys' Association. It extends from two to five working days the time within which a child abuse/neglect petition must be filed after a child is removed from his/her home. This will greatly help both county attorneys and child protection specialists.
  - **Budget impact:** None
  - **Effective date:** Oct. 1, 2007
- **Grandparents Raising Grandchildren**  
SB 27, 31, 48, and 49 all stem from an interim study on child protective services. SB 48 and 49 provide a mechanism for grandparents (or other caretaker relatives) to get medical treatment for a child and enroll the child in school in the absence of direction from the birth parent. SB 31 provides a mechanism to challenge a parent if the parent demands return of the child and the caretaker relative believes this would not be in the child's best interest. SB 27 amends the grandparent visitation statute to comply with decisions from both the U.S. and Montana Supreme Courts related to court-ordered grandparent visitation.
  - **Budget impact:** None
  - **Effective date:** Oct. 1, 2007

## **CHILD SUPPORT ENFORCEMENT DIVISION**

- **Partial Social Security Numbers**  
HB 450 enables the agency to collect the last four digits of a Social Security number on applications for driver's, recreational, and other licenses rather than the full nine digits. The federal Office of Child Support Enforcement has exempted Montana from the requirement of collecting the full Social Security number on license applications.
  - **Budget impact:** None
  - **Effective date:** Oct. 1, 2007
- **Deficit Reduction Act**  
Replaces federal funding lost through passage of the Deficit Reduction Act.
  - **Budget impact:** \$1,620,765 in FY08, \$2,154,588 in FY09
  - **Effective date:** Oct. 1, 2007

## **DISABILITY SERVICES DIVISION**

- **Wage Rates for Developmental Disability Providers**  
Additional funding to increase the base wage rates for direct-care staff providing services to consumers with developmental disabilities and to raise direct-care wages up to \$8.50 an hour. The rebasing package also funds the costs of tuition for the



College of Direct Support and paid time for direct-care staff employees' online certification.

- **Budget impact:** \$18 million for the biennium
- **Staffing:** 12 contracted case managers to direct personal support and cost plans for DD consumers
- **Effective date:** July 1, 2007

- **Developmental Disabilities Waiting List**

Funding to move about 20 people with developmental disabilities from a waiting list and into community services. The waiting list currently stands at about 500 individuals. These funds are matched with Medicaid dollars.

- **Budget impact:** \$1 million for the biennium
- **Effective date:** July 1, 2007

- **Vocational Rehabilitation Funding to Match Federal Grant**

Funding for tuition increases and a cost-of-living increase for providers allows the Vocational Rehabilitation Program to fully match its federal grant to that it can continue to help people with disabilities find jobs in community settings. VR also received funding to increase provider rates and hire a school-to-work transitions counselor.

- **Budget impact:** \$900,000 for the biennium
- **Effective date:** July 1, 2007; rate increase effective Oct. 1, 2007

- **New Telecommunications Technologies**

Funding authority for Montana Telecommunications Access Program to provide Video Relay Services and Internet Protocol Relay to people with hearing impairments if the federal government requires the state to do so.

- **Budget impact:** \$1.1 million for the biennium
- **Effective date:** July 1, 2007

## HEALTH RESOURCES DIVISION

- **Medicaid for Pregnant Women, Infants**

HB 2 increased Medicaid coverage for pregnant women and infants up to 1 year old. It changed the eligibility requirement from 133 to 150 of the federal poverty level. The department estimates it will be able to cover another 248 pregnant women and 199 newborns.

- **Budget impact:** \$3,004,514 in FY08, \$3,863,233 in FY09
- **Effective date:** July 1, 2007

- **Medicaid Dental Access**

HB 2 raised Medicaid provider rates to 85 percent of charges in the aggregate (currently pay 58 percent for adults and 64 percent for children). Additional funding is included to contract with community health centers and other providers to establish or expand dental services in the communities.

- **Budget impact:** \$2,983,129 in FY08, \$3,002,709 in FY09
- **Effective date:** Oct. 1, 2007

- **Hospital Utilization Fee**

SB 118 continued this fee, which allows Medicaid to pay hospitals about 98 percent of their cost of business. Without the fee, Medicaid reimbursement would have covered only 72 percent of costs in FY06. Inpatient day bed rate is \$27.70 for Jan. 1, 2006, through June 30, 2007; \$47 for July 1 through Dec. 31, 2007; \$43 for Jan. 1, 2008, through Dec. 31, 2008; and \$48 beginning Jan. 1, 2009. This enhanced fee is provided solely through the hospital utilization fee and federal matching funds. No state general fund revenue is required.

- **Budget impact:** \$18,009,809 in FY08, \$26,791,519 in FY09
- **Effective date:** On passage and approval

- **Physician Rate Increase**

HB 2 and SB 354 authorized DPHHS to move Medicaid rates closer to what private insurance pays. The Medicaid program has been gradually losing access to physician services because of the funding disparity between our program and both Medicare and private insurance. Physician rates will be affected by three separate rate increases: they will receive the general provider rate increase noted above; they will receive another targeted rate increase in FY09 of \$2,043,234; and through SB 354 they will receive a 6 percent increase each year in FY10-13 that will be built into the caseload.

- **Budget impact:** \$1,097,158 in FY08, \$4,183,548 in FY09
- **Effective date:** First rate increase effective Oct. 1, 2007

- **Medically Needy Income Level**

HB 2 authorized revision of the medically needy income level to increase the amount of income that is not counted in determining eligibility for people who must “spend down” resources in order to be eligible for Medicaid. This partially restores cuts to the program made in FY03. It will predominantly benefit senior citizens.

- **Budget impact:** \$1,464,511 in FY08, \$2,918,906 in FY09
- **Effective date:** Oct. 1, 2007

- **Medicaid Family Planning Waiver**

HB 2 appropriated start-up costs to provide Medicaid family-planning services to about 4,000 low-income women (under 185 percent of federal poverty level) of child-bearing age. This waiver must be cost-neutral over its five-year life. The waiver will be ready for submission to the federal government in September 2007. The federal government will assume 90 percent of the cost for services offered under this waiver.

- **Budget impact:** \$3,091,593 in FY08, \$3,090,338 in FY09
- **Effective date:** Upon approval of waiver by federal government

- **CHIP Expansion**

SB 22 authorized expansion of coverage under the Children's Health Insurance Plan for children from 150 to 175 percent of the federal poverty level. This will allow the department to cover an estimated 2,100 more youth each year.

- **Budget impact:** \$4,002,392 in FY08, \$4,228,493 in FY09
- **Effective date:** July 1, 2007

- **CHIP Dental Benefit**

HB 198 authorized the department to meet needs beyond the basic dental plan. 23 percent of children enrolled in CHIP have dental needs in excess of what CHIP pays for. New expenditures may not exceed \$100,000 in state funds, plus any matched federal funds, in each year of the biennium.

- **Budget impact:** \$455,997 in FY08, \$452,284 in FY09
- **Effective date:** Oct. 1, 2007

- **Children's Mental Health System of Care**

HB 2 authorized state funding to help sustain the System of Care grant, a federal SAMSHA grant designed to help develop infrastructure to better serve children with a serious emotional disturbances. The grant has operated on federal grant funds matched with local community resources. As we enter the third year of the grant, federal funds are decreasing and local match requirements are increasing. The Legislature appropriated state funding to decrease the amount local communities must provide as match to the federal grant.

- **Budget impact:** \$371,647 in each year of biennium
- **Effective date:** July 1, 2007

- **Alternative to Psychiatric Residential Treatment**

HB 2 appropriated start-up funds for a demonstration grant to serve youth in the community who would otherwise be treated in inpatient facilities. The department hopes to serve 20 youth in FY09; this number will gradually increase until 100 youth per year are served. The first community site will be in Billings. The grant was awarded in December 2006 and must be operational by October 2007. Our final application will be submitted to CMS by August 1, 2007.

- **Budget impact:** \$301,381 in FY08
- **Effective date:** October 2007

- **Centralized Children's System of Care Account**

HB 98 authorized a flexible funding account to reduce out-of-home placements of high-risk seriously emotionally disturbed children with multi-agency needs. The account will allow DPHHS and other agencies to voluntarily allocate a portion of their budget to manage children on a case by case basis. Likely uses for this funding will be payment for respite care and training for caregivers.

- **Budget impact:** None
- **Effective date:** July 1, 2007

- **Community Health Centers**

HB 406 authorized the department to distribute funding through competitive grants to support community health centers. These centers primarily serve low-income people who are often uninsured. The department is also required to establish an advisory council to oversee the grant process.

- **Budget impact:** \$650,000 one-time money for each year of biennium
- **Effective date:** July 1, 2007

- **Big Sky RX**

The Legislature authorized the continued use of Initiative 149 tobacco settlement funds to pay the premiums for Medicare prescription drug coverage for people who are below 200 percent of the federal poverty level but who are not eligible for Medicaid.

- **Budget impact:** \$9,856,620 for the biennium
- **Effective date:** Ongoing

## **HUMAN & COMMUNITY SERVICES DIVISION**

- **Early Child Care Programs**

Funding to improve provider reimbursement, eligibility levels, and caseload growth.

- **Budget impact:** \$4.2 million general fund for the biennium
- **Effective date:** July 1, 2007

- **Low Income Energy Assistance**

\$1 million increase in general fund money for the Low Income Energy Assistance Program during the 2009 biennium. HB 41 makes \$1.6 million available to LIEAP from an old savings account dating back to the 1980s. HB 427 clarifies the minimum USB contribution for natural-gas providers. This law will allow the division to advocate for a suitable contribution by gas companies for low-income energy assistance.

- **Budget impact:** \$2.6 million for the biennium
- **Effective date:** July 1, 2007

- **Energy Ombudsman/Warm Hearts, Warm Homes**

The ombudsman program provides staff to the state's 10 Human Resource Development Councils to provide case management to conduct outreach and encourage participation in all energy assistance programs; address energy-related emergencies; and coordinate Warm Hearts in Warm Homes efforts in their districts. The program will serve no fewer than 500 households during the biennium. The Warm Hearts in Warm Homes project uses workers from the Montana Conservation Corps and will deliver low-cost weatherization services to an estimated 1,800 households per year.

- **Budget impact:** \$300,000 general fund per year
- **Effective date:** July 1, 2007

- **Increased TANF Benefit**

Raised TANF cash benefit by \$30 per month for a family of three. The Legislature also approved a child-care benefit for working grandparent caregivers, funded TANF.

- **Budget impact:** \$1.37 million for each year of the biennium
- **Effective date:** July 1, 2007

## **PUBLIC HEALTH & SAFETY DIVISION**

- **Modernized Public Health Statutes**

HB 92 updates Montana's basic public health powers and authorities for the first time in more than 40 years. The bill amends the powers and duties of DPHHS, local boards of health, and local health officers to reflect current public health issues and practices, creates a purpose statement for the public health system, and encourages greater collaboration among federal, state, local and tribal partners.

- **Budget impact:** None
- **Effective date:** Oct. 1, 2007

- **Newborn Screening and Follow-up Program**

SB 162 expands the number of genetic and metabolic conditions for which newborns must be screened and mandates a full panel of 29 screening tests recommended by the American College of Medical Genetics and endorsed by the American Academy of Pediatrics and the March of Dimes. DPHHS will also provide comprehensive follow-up services, including education and counseling, for newborns identified with disorders and their parents and health-care providers.

- **Budget impact:** \$129,252 in FY08, \$290,000 in FY09; state special revenue from Tobacco Trust Fund interest
- **Effective date:** Oct. 1, 2007

- **Tobacco Funding for Chronic Disease Prevention**

HB 743 allows the use of money from the master settlement agreement with major tobacco companies to fund chronic disease programs, such as those aimed at preventing diabetes and heart disease, improving acute stroke care in rural Montana, and controlling asthma and cancer. The initiative is consistent with the Centers for Disease Control and Prevention "Best Practices for Comprehensive Tobacco Control Programs."

- **Budget impact:** \$2.7 million each year of the biennium; state special revenue from Tobacco Master Settlement Agreement
- **Effective date:** July 1, 2007

- **Expanded Tobacco Use Prevention**

Funding to expand the Montana Tobacco Use Prevention Program. Funds will be used for additional community-based programs; reducing smoking during pregnancy, spit tobacco use, and tobacco use on college campuses; youth public education campaigns; targeted promotion of the Tobacco Quit Line; and enhanced surveillance and evaluation.

- **Budget impact:** \$1.7 million each year of the biennium; state special revenue from Tobacco Master Settlement Agreement
- **Effective date:** July 1, 2007
- **Contraceptive Costs**  
Funding to offset a large increase in the costs of contraceptives. These funds will be contracted for use by Title X Family Planning Clinics specifically for contraceptives.
  - **Budget impact:** \$536,423 in one-time-only general funds each year of the biennium
  - **Effective date:** July 1, 2007
- **HPV Vaccine**  
Funding to provide Human Papillomavirus (HPV) vaccine to Montanans for whom the vaccine is recommended but who have no way to pay for the vaccine. HPV infection can lead to cervical cancer, and this vaccine can be effective in preventing cervical cancer due to certain types of HPV infection.
  - **Budget impact:** \$400,000 one-time-only money from Tobacco Trust Fund interest in FY09
  - **Effective date:** July 1, 2008
- **Public Health Home Visits**  
Increased funding to support public-health home visiting for pregnant women who are at risk for using drugs and alcohol while pregnant.
  - **Budget impact:** \$178,612 in FY08, \$200,000 in FY09; state special revenue from Tobacco Trust Fund interest
  - **Effective date:** July 1, 2007

## QUALITY ASSURANCE DIVISION

- **Payment Error Rate Measurement (PERM)**  
This will be one of the most significant initiatives of QAD over the next biennium. The federal government requires states to review Medicaid and CHIP programs separately every three years. The state will review 500 active and 200 inactive eligibility cases each for Medicaid and CHIP. Error rates will not result in recoveries or overpayments, except for specific errors; so no significant savings will be realized. Costs will apply to the CHIP administrative cost cap.
  - **Budget impact:** \$708,119 for the biennium
  - **Staffing:** Additional 8.5 FTE
- **Additional Lien & Estate Recovery Costs**  
HB 2 authorized \$183,080 total funds and \$91,540 state special revenue funds in each year of the 2009 biennium for additional Lien and Estate recovery costs. As a result of these recovery efforts, the department estimates an increase in Lien & Estate State Special Revenue (SSR) collections of \$253,840 in FY08 and \$258,800 in FY09.

- **Third-party Liability Funding Adjustment**

This adjusts the funding in the Third-party Liability Unit. It was originally funded at 25 percent general fund and 75 percent federal funds. It is now a 50-percent general fund program.

- **Budget impact:** \$58,231 in general funds with a reduction of equal amount in federal funds for FY08, \$58,340 in general fund with a reduction of equal amount in federal funds for FY09

- **Medicaid Right of Recovery**

HB 77 helps to strengthen the financial integrity of the state Medicaid program. It allows recovery of payments owed to Medicaid recipients, requires coordination of eligibility information about Medicaid recipients, and, in concert with the federal Deficit Reduction Act, ensures that Medicaid is the payer of last resort.

- **Budget impact:** None
- **Effective date:** July 1, 2007

- **Authorization of Beneficiary Deeds**

HB 310 provides for the transfer of real property by a Beneficiary Deed upon the death of an individual. If an individual who is a Medicaid recipient conveys an interest in real property by means of a beneficiary deed, then DPHHS may assert a claim against the property.

- **Payments to Child-Care Providers**

HB 120 allows the department flexibility to make payments to child-care providers in a method and manner established by the department. It also clarifies that the department does not have to inspect day-care centers annually if granted an extended license by the department or if the facility has been successfully licensed for 10 years.

- **Background Checks for Direct-care Workers**

SJ 7 directs the department to work with the Department of Justice and other stakeholders to look into requiring criminal background checks for direct-care health and human service workers.

- **Funeral Benefits for Medicaid Recipients**

SB 276 requires funeral directors and others who get more than enough insurance benefits to pay for the funeral and burial of an individual who at anytime received Medicaid benefits to pay all excess funds to DPHHS.

## **SENIOR & LONG TERM CARE DIVISION**

- **Home and Community Based Waiver Expansion**

Funding for 102 additional waiver service slots over the biennium to provide for individuals waiting to access community services.

- **Budget impact:** \$2,649,055 in each year of biennium
- **Effective date:** July 1, 2007

- **Health Care for Health Care Workers**  
Funding to increase provider rates for in-home service workers in programs that get most of their income for those services from the Medicaid program. Targeted at workers who work about 30 hours or more a week. This is a companion to SB 206, which requires the department to study the feasibility, impact, and cost of providing employer-sponsored health insurance to personal-care attendants and direct-care employees of organizations that get most of their revenue as a result of providing Medicaid-funded long-term care services.
  - **Budget impact:** \$2,587,806
  - **Effective date:** Jan. 1, 2009.
- **Aging Services Increases**  
One-time-only funds of \$1.5 million and additional restricted funds for aging programs of \$371,647 in each year of the biennium. These funds will be used to provide additional aging services, such as meals and in-home assistance.
  - **Budget impact:** \$371,647 and \$1.5 million general funds in each year of biennium
  - **Effective date:** July 1, 2007
- **Nursing Home Personal Needs**  
Increases from \$40 to \$50 the amount available to about 3,200 Medicaid recipients who reside in nursing facilities for their personal needs.
  - **Budget impact:** \$256,509 from Tobacco Trust Fund interest in each year of biennium
  - **Effective date:** July 1, 2007
- **Traumatic Brain Injury Education & Services**  
Funding to be used to support community-based entities that help people with traumatic brain injuries to access services and resources that aid recovery.
  - **Budget impact:** \$100,000 in FY09; one-time-only money from Tobacco Trust Fund interest
  - **Effective date:** July 1, 2008
- **Intergovernmental Transfer Contingency Funding**  
Contingency funding to offset potential reductions in county intergovernmental transfer funds used as state Medicaid match for nursing homes and community-based services.
  - **Budget impact:** \$2.8 million general funds over the biennium
  - **Effective date:** July 1, 2007
- **Older Montanans Trust Fund**  
SB 155 creates an Older Montanan's Trust Fund using \$5 million in Big Sky Rx funds that weren't spent during FY09. The money will be used to develop new, innovative services or to expand existing services to help Montanans 60 or older live independently in the least restrictive setting.



- **Budget impact:** \$5 million
- **Effective date:** July 1, 2007

- **Revision of Long-term Care Insurance Laws**

HB 156 revises long-term care insurance laws and incorporates additional standards for long term care insurance contracts. It will help the state to move toward development of long-term care insurance partnership plans for Medicaid eligibility purposes.

- **Budget impact:** None
- **Effective date:** July 1, 2007